

Minutes of the July 15, 2002 Meeting

Chairman: Douglas Browning

Opening Remarks by:

Jayson Ahern, Assistant Commissioner, Office of Field Operations

Susan Rabern, Assistant Commissioner, Office of Finance

Customs Attendees:

Carol Dunham, Executive Director, Budget, Office of Finance

Robert Jacksta, Executive Director, Passenger Programs, Office of Field Operations

Ed Matthews, Budget, Office of Finance

Richard Balaban, Mission Support, Office of Field Operations

Carlene Warren, Passenger Programs, Office of Field Operations

Committee Attendees:

Benson Bowditch, Jr., Compliance Manager, *CP Ships*

Ann W. White, Director of Industry Affairs, *American Airlines*

Kathy Hansen, Manager, Customs Compliance, *Con-Way Transportation Services, Inc.*

Barbara M. Kostuk, Director, Federal Affairs & Facilitation, *Air Transport Association*

Joseph Mangiaracino, Team Leader, National Customer Service Center, *Union Pacific Railroad*

The following topics were discussed:

Opening remarks by Deputy Commissioner, Douglas Browning established the ground rules for the meeting. Mr. Browning advised Committee members that they were there to represent national issues pertaining to their respective industry. Meeting observers were directed to voice their concerns or issues through a member of the Advisory Committee who in turn would sponsor their issues at a later time or at the next meeting.

Mr. Browning expressed his concern that our resources were limited, due to sustained Level 1 alert. Customs is aggressively working to bring on new inspectors to help alleviate the existing manpower shortage.

Mr. Browning expressed to the Committee that it was business as usual for the Customs Service and the Service will continue to be responsive to the industry regarding trade compliance, services, etc.

Budget presented a summary of how COBRA fees are utilized. Attached please find a copy of the presentation.

Airline

- Barbara Kostuk and Ann White reiterated that the airline industry is in full support of COBRA fees and would like to see those fees continue.
- They also stated that they will work with Customs to make certain legislation is passed to continue COBRA fees.
- On the topic of charging COBRA fees to contiguous countries (i.e., Mexico, Canada, other U.S. territories), they supported the fees in order to bring in more equity, but did not support passing those fees on to their customers.

Automated Passenger Information System (APIS)

- The airline industry would like to see the APIS process streamlined to allow for more efficient use of resources. The industry believes APIS is taking away from more important things by placing inspectors in "back rooms" to process fines and penalties.

Rail

- Joe Mangiaracino, representing the rail industry also stated that they were in support of the COBRA fees, but stated the industry feels that resources are being diverted to other areas.
- Mr. Mangiaracino stated that the rail industry is growing and would support fees for increased service.

Trucking

- Kathy Hansen representing the trucking industry stated that they would like Customs to implement a new system of issuing the Customs decals. Currently, each truck is required to have a decal and they are forced to arrange routes based on whether or not the truck has a Customs decal. They would like to pay a yearly fee for the company that would cover all of their trucks, therefore allowing them to better utilize their resources.
- Ms. Hansen believes more flexibility would allow for more funding by the industry.

Vessel

- Benson Bowditch, representing the vessel industry is concerned with the roles of the inspectors on the borders and how the COBRA fees are being utilized at border locations.
- Mr. Bowditch asks whether or not COBRA fees should be projected to factor in sustained level I alert status. It was explained that monies for level I alert status was obtained through separate funding.

Action Items:

- Provide the most recent Inspector General Report on COBRA fees (cost of inspections in the air, land and sea environment).
- When new information regarding COBRA becomes available, it should be distributed immediately to the Committee members.